

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE ZONE COMMINGLE ZONE

Refiling
Sidetrack

Document Number:
2583041
Plugging Bond Surety
20060146

3. Name of Operator: DUKE GAS COMPANY LLC 4. COGCC Operator Number: 25255

5. Address: 22500 COUNTY RD 24
City: VERNON State: CO Zip: 80755

6. Contact Name: DIANA CANTRALL Phone: (970)332-5610 Fax: ()
Email: DCANTRALL@PLAINSTEL.COOP

7. Well Name: CANTRALL Well Number: 35-7

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 2450

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 35 Twp: 1S Rng: 45W Meridian: 6
Latitude: 39.926740 Longitude: -102.380720

Footage at Surface: 2360 FNL/FSL FNL 2029 FEL/FWL FEL

11. Field Name: DUKE Field Number: 18890

12. Ground Elevation: 3897 13. County: YUMA

14. GPS Data:

Date of Measurement: 05/03/2010 PDOP Reading: 3.1 Instrument Operator's Name: NEAL MCCORMICK

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 2000 ft

18. Distance to nearest property line: 222 ft 19. Distance to nearest well permitted/completed in the same formation: 622 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR			

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No Surface Owners Agreement Attached or \$25,000 Blanket Surface Bon \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
NE/4 SEC. 35 T1S R45W

25. Distance to Nearest Mineral Lease Line: 222 ft 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No **If 28, 29, or 30 are "Yes" a pit permit may be required.**

31. Mud disposal: Offsite Onsite
Method: Land Farming Land Spreading Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	9+7/8	7	17	250	100	250	0
1ST	6+1/4	4+1/2	10	2,400	75	1,500	

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments WE ARE THE SURFACE AND MINERAL OWNERS AND WILL BE THE OPERATORS. NO CONDUCTOR CASING WILL BE SET.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: DIANA CANTRALL

Title: OWNER Date: 7/15/2010 Email: DCANTRALL@PLAINSTEL.CO

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: David S. Neslin Director of COGCC Date: 8/31/2010

API NUMBER
05 125 11919 00

Permit Number: _____ Expiration Date: 8/30/2012

CONDITIONS OF APPROVAL, IF ANY: _____

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

- 1) Provide 24 hr notice of spud to Craig Quint at 719-767-8939 or e-mail at craig.quint@state.co.us.
- 2) Set surface casing at least 50' into Pierre Shale for aquifer coverage, (250' minimum - as proposed). Setting surface casing less than the approved depth is a permit violation unless prior written approval is obtained from the COGCC.
- 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) If dry hole, set 35 sks cement 50' above Niobrara top, 35 sks cement ½ out, ½ in surface casing, 10 sks cement at top of surface casing, cut casing 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

Att Doc Num	Name	Doc Description
2583041	APD ORIGINAL	LF@2508171 2583041
2583042	WELL LOCATION PLAT	LF@2508172 2583042
2583043	TOPO MAP	LF@2508184 2583043

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator confirmed that no conductor casing will be set and added well name to related froms memo.	8/23/2010 10:05:36 AM
Permit	PERMITTING PASSED	8/23/2010 10:02:19 AM
Permit	Called operator to confirm that no conductor casing will be set 8-20-10 JLV	8/20/2010 4:12:54 PM

Total: 3 comment(s)

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